

Rob McKenna

ATTORNEY GENERAL OF WASHINGTON

Ecology Division

2425 Bristol Court SW 2nd Floor • Olympia WA 98502

Mailing Address: PO Box 40117 • Olympia WA 98504-0117

(360) 586-6770

August 15, 2005

Mr. Robert A. Dunn
Dunn & Black, P.S.
Peytors Building
10 North Post, Suite 200
Spokane, Washington 99201

Mr. Todd Reuter
Preston Gates & Ellis L.L.P.
601 West Riverside Avenue, Suite 1400
Spokane, Washington 99201-0628

Mr. Max Etter, Jr.
Witherspoon, Kelley, Davenport & Toole
1100 U.S. Bank Building
422 West Riverside Avenue
Spokane, Washington 99201-0390

RE: City Parcel Site

Dear Messrs. Dunn, Etter, and Reuter:

This is to notify you that Ecology is issuing the attached Enforcement Order for implementation of the Final Cleanup Action Plan ("FCAP") for the City Parcel Site (the "Site"). Since your clients declined Ecology's invitation to enter into negotiations with Ecology for an Agreed Order or Consent Decree, Ecology is exercising its authority under RCW 70.105D.020 and WAC 173-340-540 to issue the enclosed Order. There will be public notice and comment on the Enforcement Order from August 18, 2005 through September 16, 2005.

Please note that Ecology is willing to accept, under the Enforcement Order, implementation of a remedy that allows the building on the Site to remain. The Enforcement Order requires implementation of one of the following:

- The Final Cleanup Action Plan (dated August 2004); or
- The Final Cleanup Action Plan with the following specific modifications that allow the building on Site to remain:
 - The building will remain, rather than be demolished.
 - The building will be reassessed for contamination inside the building and the building materials. This will involve collection of PCB wipe samples and/or core samples, followed by any necessary cleanup (decontamination
 - and/or removal of contaminated building materials), and validation sampling. The reassessment and any necessary decontamination will need



ATTORNEY GENERAL OF WASHINGTON

Robert Dunn
Max Etter
Todd Reuter
August 15, 2005
Page 2

to be done by certified hazardous waste contractors to assure building use safety.

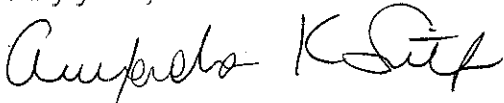
- All sub-floor dry wells, and all drains and lines will be removed. The underground storage tank will be emptied and removed. Contaminated soils (above cleanup levels) in the immediate area of the dry wells, drains, lines, and tank will also be removed. The disposal of the contaminated soils and other materials will meet TSCA requirements.
- There will be institutional controls for the use of the building and property to ensure water and other fluids associated with building operations do not threaten to mobilize PCBs in the soils under the building.
- There also will be a financial assurance mechanism (like a bond, insurance, or a letter of credit) put in place to cover the estimated cost of demolishing the building, removal of contaminated soils under the building, and safe disposal of the contaminated soil and any contaminated building materials. A deed restriction will require that when the current or subsequent owner demolishes the building, these will be done pursuant to a work plan that must be submitted to, and approved by, Ecology.

Additionally, if in complying with the enclosed Order, the parties start down the path of a cleanup that leaves the building in place, but later decide it is more practical to demolish the building, Ecology will not oppose amending the relevant work plans to allow for suitable demolition and debris removal.

Ecology would like to work cooperatively with the parties in implementation of the remedy at the Site, even if the work is done under an Enforcement Order. Ecology continues to prefer to spend the parties' time, money, and other valuable resources on cleanup, rather than on litigation.

Please do not hesitate to contact me if you have any questions or concerns.

Very truly yours,



ALEXANDRA K. SMITH
Assistant Attorney General

AKS:kew

Enclosures

cc: Teresita F. Bala
Flora J. Goldstein
John L. Roland